

Message Text

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44

ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 FS-01 AGR-05 ABF-01 SP-02 AID-05

EB-07 NSC-05 CIEP-01 SS-15 STR-04 OMB-01 CEA-01

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E.O. 11652: N/A

TAGS: EFIN EINV MO

SUBJECT: FIRST NATIONAL CITY BANK REACHES MOROCCANIZATION
AGREEMENT

REF: STATE 124603

1. FNCB RESIDENT MIDDLE EAST VP MIKDASHI CALLED ON
AMBASSADOR TODAY TO REPORT SUCCESSFUL CONCLUSION
MOROCCANIZATION NEGOTIATIONS. AS REPORTED CASABLANCA 358,
ESSENTIAL FNCB NEED IS FOR TIME TO REACH LONG-TERM DECISION
REGARDING SCOPE OF LOCAL OPERATIONS IN LIGHT HEAVY FNCB
COMMITMENTS ELSEWHERE. ARRANGEMENT REACHED YESTERDAY WITH
BUNQUE DU MAROC AND MINFIN FULLY MEETS MOROCCANIZATION DAHIR
REQUIREMENTS WHILE PRESERVING FUTURE OPTIONS.

2. MIKDASHI UNWILLING TO PROVIDE COPY OF AGREEMENT REQUESTED
REFTEL, BUT PROVIDED FOLLOWING DETAILS WHICH MAY SATISFY
TREASURY NEEDS.

A) 50 PERCENT FNCB SHARES WILL BE NOMINALLY TURNED OVER TO
MOROCCAN NATIONAL ABDELLATIF BENNANI WHO IS ALSO MIDDLE EAST
REP OF LONDON-BASED FNCB SUBSIDIARY CITI-CORP. INTERNATIONAL.
BENNANI BECOMES CHAIRMAN FNCB MAROC.

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B) OTHER MOROCCAN MEMBERS OF BOARD ARE PRESENT OFFICIAL LOCAL

FNCB BRANCH AND OTHMAN BENJELLOUN (WHO ALREADY ASSOCIATED IN VARIOUS FNCB ACTIVITIES). FOREIGN NATIONAL BOARD MEMBERS ARE RAYMOND PAPON (UNTIL NOW LOCAL MANAGING DIRECTOR) AND MIKDASHI.

C) WRITTEN AGREEMENT CONTAINS THREE EXPLICIT OPTIONS:

- 1- FOR BENNANI TO SELL SHARES HE HOLDS TO OTHER MOROCCANS.
- 2- FOR FNCB TO MERGE WITH ANOTHER MOROCCAN BANK.
- 3- TO LIQUIDATE ENTIRELY IF FNCB NEW YORK OFFICE NOT WON OVER TO PRALL, HOFFMAN, MIKDASHI CONTINUATION/EXPANSION PROGRAM BY DECEMBER 31, 1975.

3. MIKDASHI TODAY FILED EXCHANGE APPLICATION WITH OFFICE DES CHANGES TO CLEAR DECKS IN EVENT OF LIQUIDATION DECISION. NEUMANN

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